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NOTES

MORALITY; CHARITY; STATE INSURANCE

The Burlington Railroad Company and two of its officials have lately been convicted of the offense of rebating. That the punishment inflicted in each case was merely by fine, and that these fines were all farcically small, is perhaps not so significant as is the fact that, with possibly one or two exceptions, these are the first fruits of enforcement under a law now eighteen years old. Some support, then, seems to be given to the railroad contention that not more law, but more enforcement of existing law, is the indicated remedy for existing evils.

And this, in turn, must serve as introduction to the question why this and other laws so generally fail of enforcement. Something is apparently the matter either with the sort of men selected for party support at elections, or with the methods under which these men are elected, or with the conditions under which, when once elected, they administer their offices.

The possibility suggests itself here that adequate remuneration for the quality of service expected, together with permanency of tenure for efficient service, might do something for the morale of officialdom, so far at least as post-election influences affect the case.

Meanwhile it is to be noted that President Roosevelt has recommended, and a Senate bill under consideration proposes, that corporations shall henceforth be prohibited from contributing to the expenses of election campaigns. A possible connection exists between the customs of campaign contribution and the established habits of official remissness.

But what, in careful analysis, is the basis of this prohibition of corporate contribution? One of two things must seemingly be assumed: (1) that these contributions are made for good and sufficient business reasons, or (2) that they are not. Surely, if the danger to be guarded against is merely that the corporation managers will, under the stress of partisan favor, be over-generous with the stockholders' monies, and will fail of sound business discretion in the

choice of expenditures, there is, then, good reason to distinguish between private gifts and corporation gifts—though precisely how, in this aspect, the question becomes one of federal rather than of purely state concern is not readily made clear.

But if the legislation in question rests upon no assumption so naïve as this—if the proposed law really proceeds upon the conviction that all these contributions have distinctly and dangerously a purely business aspect, why continue to the individual the privilege of contribution as somehow justified under the inducement of profit, the while that the same privilege is denied to the corporation on the ground of immorality?

Recalling also that more and more are great individual interests coming to dominate entire groups of corporate organizations, and are thus coming to furnish the unifying principle under which groups of trusts are combining into great central trusts of trusts, this prohibition of corporate contribution alongside of the permission of subscription by individuals falls little short of the grotesque.

Back, however, of this seeming irrationality are probably half-consciously present some considerations better worthy of respect.

Our political system is perhaps to be regarded as the greatest educational force in our American life, and the political campaign is, on the whole, the leading educational factor in this greatest of educational systems. For the maximum of effectiveness in this direction campaign orators and campaign literature are indispensable means; these means and methods cost money. No small share, then, of the expenses of election rank as not merely permissible, but as commendable. If, however, they are covered by assessments upon the candidates, post-election activities must be expected to make these expenses good, and we must face further probability of the lax enforcement of law.

But that the political training of the electoral contest is indispensable for the purpose of popular government—that this political training costs, and must cost, and must somehow be paid for—is worlds away from justifying the permission that these funds must be secured by the methods under consideration. It may, indeed, be possible that the necessity is of a character to outweigh in importance the attendant dangers, were it at the same time true that there is no other and better way open. In point of fact, however, the individual contribution, if truly a pure philanthropy under the stress of some

supreme social need, could be justified only upon the assumption that society were itself unable to make its own provision for the social service in view. That is to say, precisely to the extent that campaign funds are justifiable for any purpose, there is, on the one side, every reason why they should be provided for at public expense, and, on the other side, no possible excuse for allowing them to be provided for at any other than public expense.

With adequate appropriations in favor of the rival parties—and there is little danger that they would ever turn out inadequate—no right motive could exist and no possible excuse be pleaded for the solicitation or the offer of private contributions. It is, in truth, not in human nature that the individual consent to pay what the public has recognized as its own obligation to provide. It is precisely for this reason that state educational institutions are so rarely able to make effective appeal for private donations; if the situation is safe to care for itself, why should any philanthropist's attention be enlisted? It is only when someone else will not do, that most of us are able to recognize our own obligation to do. And thus it falls out that if, for any particular institution, any definite sect or any group of men or any man has actually or apparently assumed the responsibility, all other donations are on the way to cease. So all public charity discourages private benevolence.

There is, therefore, doubt whether in the long computation our President and Congress have done well to appropriate two millions or any other sum for the benefit of the San Francisco sufferers. Nothing was done in this direction at the time of the Chicago fire; and a measure of the sort for the relief of certain flood sufferers received (in President Cleveland's time) the executive veto. And it has already become evident that in the present case the need of this government aid did not exist; but it is equally evident that, in view of the action taken, the need will at the next time exist.

Only one valid excuse is possible: This kind of action, if taken at all, should be taken, not in the guise of a charity enforced by legislature enactment upon the tax-paying public, but of an obligation recognized and promptly met. That is to say, the nation as a whole should accept the risk of the conflagration hazard; the national finances so should be arranged and adjusted to the burden; thereby the premiums charged for ordinary insurance should be unaffected by

any conflagration-charge element; and the disappointments and disillusionments of meeting with no insurance, where insurance has been duly paid for, could no longer find place.

It is true that the logic of all this leads not so much toward absolute noninterference on the part of society as toward national or state insurance generally—a system under which all premiums would be collected for fire insurance under the guise of some form of the general property tax and, for life insurance, under some form of poll, general property, and income taxes combined; insurance would thereby become general under state compulsion.

And some day, probably, state insurance must come; the 40 per cent. expense rate in fire insurance, the 20 per cent. rate in life insurance, the risks, the expense, the ill-faith, and the bad judgment attending the management of reserves, and, finally and especially, the social menace of these great reserves themselves, will one day compel the adoption of a system in which the reserves will consist solely of the tax-paying resources of society—a system, that is, in which each man having as taxpayer contributed to the insurance benefits of earlier claimants comes in his turn to share in the benefits provided.

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